

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

March 17, 2006

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Priscilla W. Burton, Certified Professional Soil Scientist

RE: Revisions to Chapter 1 – All Canyon Fuel Mines, Canyon Fuel Company, LLC., Dugout Mine, C/007/039; SUFCO Mine, C/041/002; Skyline Mine, C/007/005; Banning Loadout, C/007/034; Soldier Canyon Mine, C/007/018, Task ID #2425

SUMMARY:

Approval is recommended.

The revisions to Chapter 1 include the addition of the SUFCO Mine to the list of mine permits held by Canyon Fuel Company.

Instructions with this amendment indicate that a copy of this General Chapter 1 should be filed with the MRP of each of the following mines: Banning, Dugout, Skyline, Soldier Canyon, SUFCO, rather than just under the Soldier Canyon mine as is currently the practice in the Public Information Center of DOGM.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

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Analysis:

General Chapter 1 volume contains information on corporate ownership for Canyon Fuel Company's affiliated Utah mines: SUFCO Mine, Skyline Mine, Soldier Canyon Mine, Banning Loadout, and Dugout Canyon Mines (Section 111 of the MRP).

Section 112.400 of the MRP and Table 1-1 and Figure 1-1 (A - D) of General Chapter 1 provide a listing of affiliated coal mining operations under the control of Canyon Fuel Co., LLC. The listing includes the affiliated Utah mines itemized in Sec 111 and the successfully reclaimed bond release sites: Gordon Creek No. 2, 7, and 8, Gordon Creek No. 3 and 6, and Huntington Canyon No. 4 mine.

Figure 1-1 (A-D) also provides an organizational chart showing corporate ownership and control of Canyon Fuel Co., LLC by Arch Coal, Inc. The list of officers and directors for Canyon Fuel Co., LLC and its four corporate owners Arch Western Bituminous Group, LLC; Arch Western Resources, LLC; Arch Western Acquisitions Corp; and Arch Coal, Inc.) is found in Appendix 1-1. App. 1-1 was last updated in February 2006. Changes in officers are clearly noted with beginning and ending dates and are attested to by notarized statements from each corporate entity.

Findings:

The information provided meets the requirements of the Regulations.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

Section 113 of the MRP indicates that a current listing of violation information is provided in the General Chapter 1 volume for Utah affiliated mines. The most current list dated December 2002 - 2005 is found in Table 1-2.

Findings:

The information provided meets the requirements of the Regulations.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

This amendment does not change the right-of-entry information that is kept separately, by permit.

Findings:

The information provided meets the requirements of the Regulations.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

This amendment does not change the legal description and status of suitability. Such information is kept separately, by permit.

Findings:

The available information meets the requirements of the Regulations.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

This amendment does not change the permit renewal dates for any of the affiliated mines.

Findings:

The information available meets the requirements of the Regulations.

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PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

Certificates of Insurance are located in the General Chapter 1 Volume, App. 1-2. The insurance provider is Marsh USA, Inc. and the company affording coverage is Ace American Insurance Co. The Division of Oil Gas and Mining is listed as the Certificate holder. Policies current through July 2006 were provided with this application.

This amendment is not considered a significant revision; therefore, no public notice was required.

Findings:

The information presented meets the requirements of the Regulations.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

This amendment does not change the bonding information that is kept separately, by permit.

Findings:

The information provided meets the requirements of the Regulations.

RECOMMENDATIONS:

Approval is recommended.